

CBO TESTIMONY

Statement of
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Congressional Budget Office

before the
Committee on Armed Services
U.S. House of Representatives

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The deployment of troops to Saudi Arabia and the Persian Gulf renewed interest in the question of whether the **All-Volunteer Force (AVF)** fully represents American society. With the outbreak of hostilities, the question has taken a new form: who among America's youth are fighting in the Persian Gulf war? Public and media discussions of the issue, which appear to be fueled more by anecdotes and impressions than by facts, indicate that perceptions of the composition of the volunteer military have not caught up with reality. I welcome the opportunity today, Mr. Chairman, to present a few facts.

SOCIAL REPRESENTATION AMONG TODAY'S PERSONNEL

Conclusions about the representativeness of the **All-Volunteer Force** vary depending on whether one is considering **socioeconomic** or racial characteristics.

Socioeconomic Backgrounds of Enlisted Recruits

Two recent studies conclude that today's enlisted recruits (and most likely the troops in the Middle East) are at least broadly similar to the general youth

population in terms of their **socioeconomic** backgrounds. The Congressional Budget Office (CBO) completed a study in 1989 that examined family incomes and other characteristics of the home neighborhoods of recruits. In addition, last year the Department of Defense (DoD) analyzed the socioeconomic status of the families of new recruits in its annual report to the Congress. Its analysis was based on a survey of recruits that asked about such issues as the education and occupation of their parents. Previous DoD reports examined only those personal characteristics of enlistees that are routinely recorded in military personnel records, including race, sex, education, and test scores.

In 1987, the latest year available for the CBO study, about 45 percent of those entering active duty as enlisted personnel came from areas with above-average family incomes, and 55 percent from below-average areas (see the table on page 3). ("Average" is defined here as the median of the home areas of all enlistment-age youth.) A young man from a community with family incomes 20 percent below the average was only slightly more likely to enlist than one from an area with incomes 20 percent above average. Only at the very upper end of the income scale was a substantial difference apparent: the 10 percent of American youth living in the country's richest communities were about half as likely to enlist in the military as the 10 percent of youth from the poorest communities. Statistics for the Army, the

service likely to sustain the greatest casualties in the Persian Gulf conflict, closely matched those for all services combined.

CBO's analysis of family incomes cannot be considered definitive. Data are not available for the family incomes of individual recruits. The

ENLISTED RECRUITS IN 1989 AND 1980 COMPARED WITH
ENLISTMENT-AGE YOUTH (In percent)

| Characteristic | Enlistment- Age Youth | Enlisted Recruits | | |
|-----------------------------------------|-----------------------------|-------------------|--------------|--------------|
| | | DoD 1989 | Army 1989 | Army 1980 |
| Home-Area Family Incomes ^a | | | | |
| Top half | 50 | 45 | 44 | 38 |
| Highest tenth | 10 | 6 | 6 | 4 |
| Lowest tenth | 10 | 10 | 11 | 15 |
| Blacks | 14 | 22 | 26 | 30 |
| Non-High School Graduates | 26 | 8 | 10 | 46 |
| AFQT Score of less than 31 ^b | 31 | 6 | 7 | 54 |

SOURCE: Congressional **Budget** Office from Department of Defense and U.S. Census data.

- a. Recruit percentages for incomes refer to 1980 and 1987 and are for male recruits only.
 - b. AFQT is the Armed Forces Qualification Test. AFQT scores represent approximate percentiles for the general youth population.
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results are based, instead, on average family incomes in recruits' home **ZIP-**code areas. This method should correctly portray the nature of differences between recruits and the general youth population, but the magnitudes of those differences may be understated.

The study by the Department of Defense corroborates CBO's analysis of income even though it uses a very different approach. For example, the DoD survey found that the parents of recruits in 1989 had virtually the same college-attendance rates (although somewhat lower graduation rates) as the parents of all enlistment-age youth. The parents of recruits were underrepresented in managerial and professional occupations, and **overrepresented** in precision production and **some** service jobs, but **differences** in other occupations were small.

Racial Mix of Enlisted Recruits

Military recruits mirror the racial mix of the youth population less accurately than they do the **socioeconomic** mix. Racial minority groups continue to be overrepresented among recent recruits, as has been true through most of the period of the volunteer military. Blacks accounted for roughly 22 percent of active-duty recruits in 1989, compared with about 14 percent of enlistment-age

youth (see the table on page 3). For the Army, blacks accounted for better than one recruit in four. Racial differences in enlistment rates were greatest for females; young black women were more than twice as likely to enlist as their white counterparts.

What will be the racial mix among **U.S.** casualties in the Persian Gulf war? Compared with their share of the general **population**, blacks may well be overrepresented among the casualties, simply because they are overrepresented in the military in general and the Army in particular. In today's Army, however, blacks are not disproportionately represented in combat occupations, as may have been the case during the early years of the Vietnam conflict. In 1989, blacks accounted for less than 27 percent of Army enlisted personnel in combat-arms **specialties--infantry**, armor, artillery, and combat **engineers--compared** with just over 31 percent of all Army enlisted personnel. Consistent with this pattern, the Army personnel (enlisted and officer) sent to the Persian Gulf include roughly the same percentage of blacks as does the Army as a whole.

Career Personnel

The differences between recruits and their civilian counterparts, in racial mix as well as in **socioeconomic** backgrounds, tend to be accentuated as enlistees make their initial **reenlistment** decisions and become part of the career force. Blacks are more likely to **reenlist** than whites, and people who lived **in** poorer communities when they entered the military are more likely to reenlist than those from higher-income areas. These results are based on CBO's examination of the career decisions of personnel who entered the military in portions of 1981 and 1982. The results are borne out, however, by overall statistics on the racial **mix**, which generally show a higher percentage of blacks among all active-duty personnel than among recruits.

Including Officers in the Comparison

Apart from the data on the Persian Gulf deployment, these facts deal solely with the enlisted forces. Including officers, who account for about one out of seven active-duty personnel, would tend to yield a closer match between the characteristics of military personnel and those of their civilian counterparts. Blacks accounted for only about 7 percent of active-duty officers in 1989, for example, and for about 11 percent of Army officers. Both percentages are

lower than the proportion of blacks in the general **population**, although higher than the proportion of blacks among college graduates. The **socioeconomic** backgrounds of officers have not received much study because of a lack of data. It is reasonable to expect, however, that because of their college **education**, officers would tend to come more from higher-income families than would enlisted recruits.

SHIFTS IN RECRUITING DURING THE 1980s_____

If military recruits today broadly represent the general youth population in socioeconomic terms, why is there an apparently widely-held perception that the United States has an army of the poor? For the answer, one needs to look back to the beginning of the last decade. As shown in the table on page 3, almost half of Army recruits in 1980 were high school dropouts, and more than half scored in the lowest acceptable category on the military aptitude test. That category encompasses the tenth through the thirtieth percentiles of the general youth population. As might be expected, these recruits who were dropouts and had low scores tended to come from lower-income areas. Better than 15 percent of Army recruits in 1980 came from among the 10 percent of enlistment-age youth living in the poorest communities in the

country, making these young people more than three times as likely to enlist in the Army as someone from a high-income area (top 10 percent).

If one divides enlistment-age youth in half based on the median family incomes in their home communities, the lower half accounted for 62 percent of Army recruits and the upper half for only 38 percent. Finally, nearly 30 percent of Army recruits in 1980 were black, reflecting the disproportionate reliance on recruits from disadvantaged backgrounds.

The sharp turnaround in Army recruiting is evident in the second column of the table. In 1989, only 7 percent of Army recruits scored below the 31st percentile on the military aptitude test, in the lowest acceptable test score category, and nearly 90 percent held high school diplomas. Moreover, 1989 was actually the poorest year for Army recruiting since 1985; in 1990, 2 percent of Army recruits scored in the lowest acceptable category and 95 percent held high school diplomas. Not surprisingly, these higher-scoring and better-educated recruits tended to come from higher-income areas. By 1987, the proportion of Army recruits from the poorest tenth had fallen by more than one-quarter and the proportion from the highest tenth had increased by one-half.

Recruiting improvements were the result of a number of factors, including the large pay raises given to the military in 1980 and 1981, the introduction of the Army College Fund and the Montgomery **GI** Bill, and a bleak civilian employment picture in the early 1980s. The turnaround began, however, even before the new economic incentives were in place. The Army realized that its own recruiting practices were partly to blame for the poor quality of the recruits it had been getting. New policies instituted by the Army recruiting command, emphasizing test scores and education rather than simply numbers, proved remarkably successful.

The new recruiting policies, reflected in higher standards for enlistment, played a crucial role in determining the social composition of the Army's enlisted force in the 1980s. Improved economic incentives made high-scoring high school graduates more willing to **enlist**, and tightened enlistment standards ensured that they took the place of the low scorers and nongraduates who also wanted to enlist. Nowhere are the effects of these two factors more apparent than in the figures on racial mix: the higher standards disproportionately disqualified blacks (and others from economically disadvantaged backgrounds). As a result, the percentage of blacks among all Army recruits fell between 1980 and 1987, even though the willingness of blacks to enlist apparently increased even more than it did for whites.

ALTERING THE COMPOSITION OF THE MILITARY: RESERVE MOBILIZATION AND CONSCRIPTION

Two policies that have the potential to affect the social and racial composition of the active-duty military are activating reserve personnel and reinstituting a peacetime draft.

Reserve Mobilization

The recent call-up of the part-time personnel of the selected reserves will have a mixed, and rather modest, effect on the social composition of the enlisted forces. The Army National Guard, which includes almost all of the ground combat troops in the reserves, has a somewhat higher percentage of whites than does the active Army, but it also draws much more heavily from poor, rural areas of the country. The Army Reserve, comprising primarily support units, matches the active Army fairly closely in both racial and **socioeconomic** terms. Enlisted forces in the other reserve components are too few in number for their mobilization to have any significant impact.

Reinstituting Conscription

Even **reinstituting** peacetime conscription would not lead to a military that fully matched the general population in socioeconomic or racial terms. The military would require only a relatively small number of draftees in peacetime even if drastic measures were introduced to discourage volunteering. Thus, dramatic changes in the composition of the active-duty forces would be unlikely. According to CBO projections based on the period before the current crisis in the Persian Gulf, cutting recruit pay by as much as one-half would still have allowed the services to meet about 75 percent of their recruiting requirements with volunteers. The Army might have relied on the draft for about half of its recruiting requirement, assuming it sought the same mix of test scores and educational attainment among its volunteers as it has had in recent years.

If the draft were by lottery, and applied to all those legally qualified for service, the Army's mixed force of draftees and volunteers would tend to match the general youth population more closely than do current recruits, although still not perfectly. For example, the proportion of Army recruits drawn from areas with above-average family incomes might have increased to 48 percent from the 44 percent among recruits in 1987. (A small part of the increase might have been offset if potential draftees from higher-income

families chose to serve instead as officers or in the other services.) The mixed force would also more closely match the youth population in test scores and education, assuming the Army could not reject draftees who met the minimum test-score standards set by law. In other words, the Army would be taking in more people with low test scores and without high school diplomas. Also, of course, a draft would have little effect on the composition of the career forces, which would continue to be composed of volunteers. As is the case now, the career forces would tend to have higher minority percentages and, probably, more people from poorer **socioeconomic** backgrounds than would be true for new recruits.

The actual experience under the Vietnam-era draft offers only limited lessons about the possible effects of a draft on today's military. In the mid-1960s, the percentage of blacks among all **recruits--draftees** and volunteers--matched their share of enlistment-age youth rather closely. This match might seem to suggest that a draft patterned after the one in effect in the 1960s would restore a representative racial mix to the military. Such a conclusion is unwarranted. Well before the introduction of the **All-Volunteer** Force, the percentage of blacks had begun to rise. Richard V. L. Cooper, in his extensive study of the **AVF** published in 1977, concluded that the rise was the result of improving test scores among blacks and a growing disparity between the civilian economic opportunities for young blacks and young whites.

Cooper argued that eligible blacks were much more likely than whites to be inducted, apparently because whites were better able to avoid the draft through college attendance, service in the reserves, and other activities. Looking at socioeconomic backgrounds, Cooper found virtually no change in recruits as the draft was ended and the **AVF** begun. What little change occurred was because of the changing racial mix.

Whether the war in the Persian Gulf will have any longer-term effect on the social composition of the military is difficult to predict. If a war convinced many young people that military service is no longer an attractive option, the Army could once again face severe recruiting problems. In that case, **reinstating** conscription could have a more substantial effect on the social composition of recruits than it would today. The planned drawdown in U.S. forces, however, will substantially reduce recruiting requirements. This reduction will tend to offset any effect of postwar conscription on the social representation of the military. Moreover, suggestions that a war will have any long-term effect on the ability of the services to meet even their lowered recruiting requirements are, at this point, merely speculation.

SHOULD THE SOCIAL COMPOSITION OF THE MILITARY BE A CONCERN?

Is a fully representative military an important goal? If so, at what cost to society? These questions cannot be answered with statistics, but they are key issues in the debate over the social composition of the military. I will discuss them briefly without attempting to resolve them.

Those who argue for a fully representative military most frequently claim that, under today's **All-Volunteer** Force, the poor in general, and some racial minorities in particular, are treated unfairly by being forced by their economic circumstances to defend a country in whose benefits they do not fully share. To the extent that this is true, it reflects an underlying problem in society, which leaves some people facing more limited economic opportunities than others. Thus, there is a flip side to concerns about the overrepresentation of some groups in the military: is it more fair to offer someone a choice between military service and a less desirable job, or to make less desirable employment the only choice? This question has no easy answer. In peacetime, the case for allowing economic forces to operate seems fairly strong. When hostilities take place, concerns about social equity may take on greater weight.

A second argument that has been made repeatedly in recent months is that America would not so readily have chosen to fight in the Persian Gulf if the children of the nation's upper and middle classes were equally at risk as the children of the poor. The data I have presented indicate that the middle class is well represented in the enlisted ranks of the military. But it is true that the sons and daughters of wealthy parents, while they may serve as officers, are not as likely as others to be found in the enlisted ranks. Whether this factor has affected the choices being made about war with Iraq, no one can say.

CONCLUSION

The American military today is not a perfect cross-section of society, particularly in racial terms, but neither is it an "army of the poor." To the extent that view was ever correct, it is now roughly 10 years out of date. Recruits today come from high-income areas as well as low-income areas; they are the sons and daughters of college graduates as well as high school dropouts. A volunteer military will naturally tend to attract more youth who are disadvantaged than it will the children of the wealthy, so long as the causes of disadvantage persist in our society. Nonetheless, "broadly representative" seems a fair characterization of the **socioeconomic** composition of today's voluntary military, if not of its racial composition.